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SUMMARY

GENERAL

- 1. India reported planning Southeast Asian regional pact without West (page 3).
- 2. Indian appointees to Indochina commission believed pro-Western (page 3).

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3. Iraq will seek early revision of treaty with Britain (page 4).

LATIN AMERICA

4. Comment on situation in Guatemala (page 4).

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GENERAL

25X1A ¹ .	India reported planning Southeast Asian regional pact without West:			
	Prime Minister Nehru is planning to submit to the Colombo powers a proposal for a regional alliance as an alternative to SEATO, according to C. C. Desai, the Indian high commissioner in Ceylon, in a conversation with the American ambassador in Colombo.			
	Desai stated that the scheme will have military clauses and will attempt to provide most of the benefits of SEATO without the participation of the Western powers. He also said the plan has not yet been communicated to Ceylon or the other Colombo powers.			
	Comment: Nehru is unofficially reported to have rejected outright the British approach on SEATO. His intention is presumably to seize the initiative from the West and thus forestall Western efforts to organize the rest of the Colombo powers.			
25X1A2.	Indian appointees to Indochina commission believed pro-Western:			
	Ambassador Allen in New Delhi regards with favor the Indian delegates so far appointed to the Indochina Truce Commission. Chief dele-			

the advance party, are believed to be pro-Western.

The two chief delegates are M. J. Desai, acting Indian high commissioner in London, who was appointed on the recommendation of V. K. Krishna Menon, and Dr. J. N. Khosla, in charge of historical research at the Indian Foreign Ministry. The third chief delegate has not yet been named.

gate M. J. Desai and S. Dutt, who will head

Comment: The appointment of career civil servants appears to conform with Indian Foreign Ministry assurances that noncontroversial figures would be named. Menon's influence in these appointments and the fact that he presided over the preliminary meeting of truce representatives in New Delhi on 1 August strongly suggest he will be a power behind the scenes.

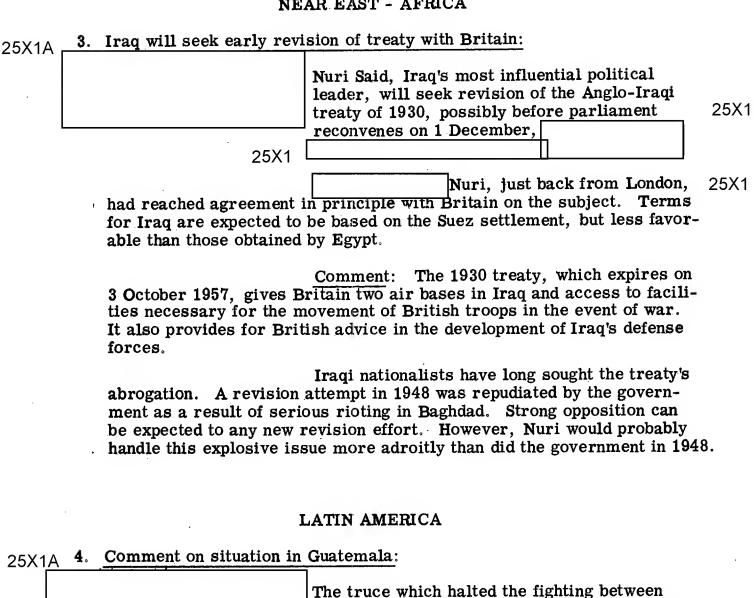
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NEAR EAST - AFRICA



elements of the Guatemalan army and Castillo Armas' irregular Army of Liberation on 2 August leaves Castillo's dominant position in the governing junta considerably weakened. The truce calling for the disbanding of Castillo's forces, was evidently dictated by regular army leaders, who are capable of

preventing further outbreaks in the army. They are distrusted by Castillo, however, who may now attempt to control the army through officers closely identified with his movement. This would probably deepen tension and lead to continuing instability.

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Castillo late on 2 August threatened to rejoin 500 of his "liberation" troops now encamped about 60 miles from Guatemala City and lead them against the regular army. It remains questionable whether he actually intends to take this drastic action, which would mean resumption of outright civil war.

	t situation appears to be wholly a
struggle between military factions w	ith no ideological overtones; both
sides are strongly anti-Communist.	

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